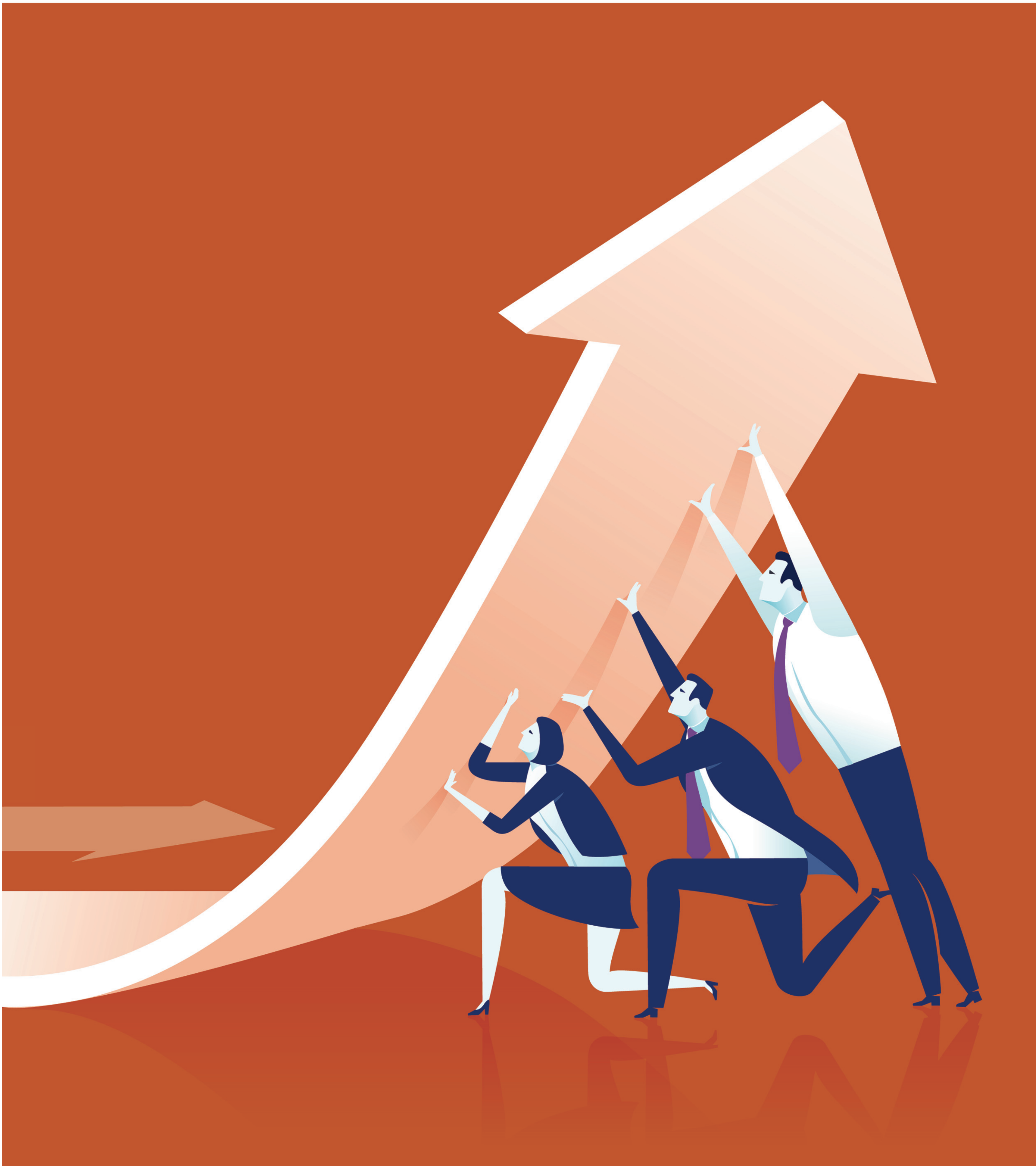
Withstanding

Star Cement Meghalaya Limited | Annual Report **2018-19**



FORWARD-LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Corporate Information

CIN: U63090ML2005PLC008011

Board of Directors:

Prem Kumar Bhajanka, Managing Director
Sajjan Bhajanka, Director
Sanjay Agarwal, Director
Rajendra Chamaria, Director
Pankaj Kejriwal, Director
Mangilal Jain, Director
Clara Suja, Director
Santanu Ray, Director

Auditors:

M/s. D. K. Chhajer & Co.,
Chartered Accountants
Nilhat House,
11, R. N. Mukherjee Road, Kolkata – 700001

Company Secretary:

Bishwajit Singh (w.e.f. 01.08.2018)

Chief Financial Officer:

Amit Kumar Singh

Registered Office and Works:

Vill.: Lumshnong, P.O: Khaliehriat
Dist: East Jaintia Hills
Meghalaya – 793 210

Corporate Office:

"Satyam Towers", 1st Floor, Unit No. 9B,
3, Alipore Road, Kolkata – 700027

Delhi Office:

281, Deepali, Pitampura,
New Delhi – 110 034

Bankers/ Body Corporate:

Bank of Baroda
Corporation Bank
Allahabad Bank
State Bank of India

Directors' Report

Dear members

Your Directors have pleasure in presenting Fourteenth Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2019 and the Statement of Profit & Loss for the year ended on that date.

FINANCIAL HIGHLIGHTS

The highlights of the financial performance of the Company for the financial year ended 31st March, 2019 as compared to the previous financial year are as under:-

(₹ in lacs)

Particulars	2018-19	2017-18
Total Income	58,919.37	50,237.61
Profit/(Loss) before Interest, Depreciation and Tax	11,039.60	16,981.76
Interest and Finance Charges	158.25	1,156.16
Depreciation	4,202.57	4,516.73
Profit/(Loss) before Tax	6,678.78	11,308.87
-Current Tax	1,169.21	2,146.94
-Deferred Tax	(1,168.21)	(2,142.20)
Profit/(Loss) after Tax	6,677.78	11,304.13
Other comprehensive income for the year, net of tax	(2.70)	(10.04)
Total comprehensive income for the year	6,675.08	11,294.09
Proposed Dividend:		
Proposed Dividend @ ₹14/- per share	-	4,174.49

INDIAN ECONOMY – A RETROSPECT AND OUTLOOK

The Indian economy is the world's seventh-largest economy by nominal GDP and the third-largest by purchasing power parity (PPP). Country's GDP growth is estimated to 7 per cent in 2018-19 The interim Union Budget for 2019-20 focused on supporting the economically less privileged, needy farmers, workers in the unorganised sector and salaried employees, alongwith physical and social infrastructural development. On account of various government initiatives like 'Make in India' and 'Digital India'. Make in India initiative the purchasing power of an average Indian consumer is likely to increase, which would further boost demand, and hence spur development of the country.

Government's introduction of various policies like National Mineral Policy, National Policy on Software Products, National Electronics Policy, Agriculture Export Policy etc., will help all round development of the Country and boost the economy. Country's GDP is expected to reach US$ 6 trillion by FY27. It is also expected that the country is likely to be the third largest consumer economy by 2025 due to change in consumer behaviour and expenditure pattern.

OPERATIONAL PERFORMANCE

During the year under review your Company produced 14,36,600 MT of Cement Clinker as against 15,41,945 MT in the previous year. Fall in production was mainly due to sudden break down of gear box thereby hampering production for certain period. On the capacity utilization front, your Company was able to utilize 82.14% of its installed capacity during the FY 2018-19 as against 88.16% during the FY 2017-18.

During the year your Company has sold 14,43,994 MT of clinker against 15,04,195 MT recorded in last year and the Company has successfully exported 0.91 Lac MT of Cement Clinker to neighboring countries of Nepal and Bhutan apart from having long term arrangement for sale of clinker with its holding Company M/s. Star Cement Limited and fellow subsidiary M/s. Megha Technical & Engineers Private Limited.

During the FY 2018-19, your Company has posted EBIDTA of ₹11,039.60 Lacs and profit after tax amounting to ₹6,677.78 Lacs. Your Company expects to increase the operational efficiencies in years to come.

Your Holding Company M/s. Star Cement Limited (SCL) launched unique Brand Campaign named "Bhaag North East Bhaag" in North East. Other initiatives included retail & mass branding initiatives in the form of retail boards, cuboids, hoarding at shop, TV, Radio, Print & OOH ads. To make the "Star Cement" brand more visible in remote areas, a block level branding campaign was undertaken through wall wraps, rural vans & rural theatres.

DIVIDEND

Your Directors do not recommend any dividend for the year under review (Previous year @ 140%).

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2019 was ₹2,981.78 Lacs. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

EXTRACT OF ANNUAL RETURN

In terms of requirement of section 134 (3) (a) of the Companies Act, 2013, the extract of the Annual return in form MGT-9 is annexed herewith and marked **Annexure-1**.

CHANGES IN NATURE OF BUSINESS, IF ANY

There has not been any change in the nature of business.

MEETINGS OF THE BOARD

During the year under review Four (4) Board Meetings were convened and held on 17th May, 2018, 26th July, 2018, 12th November, 2018 and 04th February, 2019. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The composition of the Board and the attendance details of the members are given below:

Sl. No.	Name of the Director	Category	No. of Meeting	
			Held	Attended
1.	Mr. Prem Kumar Bhajanka	Managing Director	4	2
2.	Mr. Sajjan Bhajanka	Director	4	4
3.	Mr. Sanjay Agarwal	Director	4	3
4.	Mr. Rajendra Chamaria	Director	4	3
5.	Mr. Pankaj Kejriwal	Director	4	2
6.	Mr. Mangilal Jain	Independent Director	4	4
7.	Mr. Santanu Ray	Independent Director	4	4
8.	Mrs. Clara Suja	Director	4	1

MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, a meeting of Independent Directors was held on 15th March, 2019 wherein the performance of the Non-Independent Directors and the Board as a whole was reviewed. The Independent Directors at their meeting also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

COMPLIANCE WITH THE SECRETARIAL STANDARDS AND INDIAN ACCOUNTING STANDARDS

The Company has complied with the applicable Secretarial Standards as recommended by the Institute of Company Secretaries of India. The Company has also complied with all relevant Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 while preparing the Financial Statements.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement of Section 134 (3) (c) read with section 134 (5) of the Companies Act, 2013, the Directors hereby confirm and state that:

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any;
- The Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for the year under review;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act

for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- The Directors have prepared the annual accounts on going concern basis;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. Mr. Mangilal Jain and Mr. Santanu Ray are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfill the conditions specified in Section 149 of the Act and the Rules made thereunder about their status as Independent Directors of the Company.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES

The Board has framed a Remuneration Policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management employees. The remuneration policy aims to enable the Company to attract, retain and motivate highly qualified members for the Board and at other executive levels. The remuneration policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

AUDITORS & AUDITORS' REPORT

M/s. D. K. Chhajer & Co., Chartered Accountants (Firm Registration no. 304138E) Statutory Auditors of the Company, have been appointed by the members at the Twelfth Annual General Meeting and shall hold office for a period of 5 years from the date of such meeting held on 11th September, 2017.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its manufacturing activity is required to be audited. The Board of Directors re-appointed M/s. B. G. Chowdhury & Co., Cost Accountants, (Firm Registration number 000064) as Cost Auditors of the Company for conducting the audit of cost records of the Company for the Financial Year 2018-19.

The Board of Directors of the Company on the recommendation of the Audit Committee, appointed Messrs Sanjib Das & Associates, Cost Accountants (Firm Registration Number 100751), as the Cost Auditors of the Company for the Financial Year 2019-20 under section 148 of the Companies Act, 2013. Messrs Sanjib Das & Associates have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under section 141(3). The Audit Committee has also received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with the Company.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to Messrs Sanjib Das & Associates, Cost Auditors for the Financial year 2019-20 is included in the Notice convening the Annual General Meeting.

The cost audit report for the Financial Year 2017-18 was filed with the Ministry of Corporate Affairs on 26.09.2018.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. MKB & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith and marked **Annexure-2**. The report is self-explanatory and do not call for any further comments.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, your Company has not made any investment or provided guarantee or security in connection with a loan to any person exceeding the limit specified in Section 186 of the Companies Act, 2013.

The Loans given by your Company to its Fellow Subsidiary falling under ambit of Section 186 (2) of the Companies Act, 2013 were within the limits prescribed. Details of the loans covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

All related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. In terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars of the material contract or arrangement entered into by the Company with related parties as referred to in section 188 in Form AOC-2 is attached as **Annexure 3** of this report. However, the details of the transactions with the Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

RESERVES

During the year under review no amount was transferred to reserves.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated in section 134 (3) (m) of the Act and rules framed there under is mentioned below:

(A) Steps taken toward Conservation of Energy:

- Dust Settling Chamber Removed and TAD take up Modified to increase Cross Sectional Area as well as to reduce System Pressure.
- Kiln Out let Shell replaced with New Cowl Shell and Tip Casting Plates to Improve Tip Casting Refractory Life.
- Kiln Inlet Sector Plate Replaced with New Design Sector Plate to Increase Refractory Life.
- Modified Floating Anchor used in Kiln Inlet Sector Plate to improve refractory life.
- Continuous monitoring of false air to reduce specific power and specific fuel consumption.
- 240 Nos. of street Light fitting replaced with LED street light fittings resultant saving of 1.20 lacs Kwh Per year.

(B) Steps taken toward Technical Absorption:

- Extended High Abrasion Resistant Brick Al-85 Lining from 0 to 5 meters in place of 0 to 3 meters to reduce radiation as well as to Enhance Refractory Life.
- National Counsel for cement and building material conducted diagnostic study for SOX-NOX. Their advice for controlling emission level is under implementation.
- Holtec conducted the feasible study for Waste heat Recovery Project.
- During the year under review, your Company incurred Revenue Expenditure of ₹15.32 lacs and there was Capital expenditure of ₹12.62 lacs in Research & Development.

(C) Foreign Exchange Earnings And Outgo

- During the period under review, Foreign Exchange Earning was ₹4617.24 lacs (Previous year ₹489.09 lacs) and Foreign Exchange Outgo was ₹2,317.69 lacs (Previous year ₹1,919.58 lacs).

CORPORATE SOCIAL RESPONSIBILITY

During the year under review, your company had made substantial contribution towards educational and rural development projects which signifies a steady transformation of rural society both at social and economic levels. Due importance was given by the Company by acknowledging the rural development agendas representing planned programs to improve the standard and quality of living.

Star Cement Meghalaya Ltd has taken few major initiatives that are benefitting a large number of people and communities and thus corroborating your vision of optimum utilization of the natural, physical and human resources in the remote locales for their economic and cultural development.

Promoting education

- Your Company is promoting education and providing non-formal education to the rural and tribal people through One Teacher School (OTS) i.e., Ekal Vidyalaya run by the Friends of Tribal Society. The projects aims to reach the education to every doorstep of the country. Your Company also contributed to the Kalyan Bharati Trust and Vivekananda Kendriya Vidyalaya.
- The Company also supported schools situated nearby plant location for improving infrastructure facilities.
- Company supported the school management committees for honorarium of teachers.
- Your company believes that right kind of support can definitely bring about a positive change towards the development of rural education. To keep up the spirit for pursuing higher education among students of remote areas of Meghalaya, company supported by way of providing study materials, uniforms, writing boards, bags and conducted remedial classes and students for pursuing higher studies.

All such activities taken up for enhancement of educational infrastructure and to ensure quality education carries high importance towards contributing effective learning.

Rural development

- During the year 2018-19, your company had given top priority to rural development through various schemes like construction of internal roads, foot path, foot bridge, link road, drainage, development of community hall, etc., The prime objective behind these initiatives is to provide smooth mobility, access, livelihood opportunities to the villagers with improved village infrastructure.
- Company's Rural Development vision focusses on optimum utilization of the natural, physical and human resources of a rural area for enrichment of the quality of life and cultural development of its population.

Health & Sanitation

- The Company organized free Eye check up camp and distributed medicines at free of costs.
- The Company constructed toilets and urinals with safety tanks.

Sustainable Livelihood

- Households were supported with distribution of high breed piglets (at free of cost) to enable the farmers for earning substantial income.
- Under the Duckery projects, the farmers were provided training and distributed duck feed, and Ducklings to enable the farmers for earning substantial income.
- To promote dairy farming and to increase overall production of milk free cows were distributed under the project 'Surabhi'.
- Incense stick machines provided to Old age home for earning income.

Annual Report on CSR as required to be annexed in terms of requirement of Section 135 of Companies Act, 2013 and rules framed thereunder is annexed herewith and marked **Annexure- 4**.

PERFORMANCE EVALUATION OF THE BOARD

In accordance with the requirements of the Companies Act 2013, the performance evaluation of the Board was carried out during the year under review. The Board follows a formal mechanism for the evaluation of the performance of the Board as well as Committee. The evaluation reflected the overall engagement of the Board and the Committee.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Nomination and Remuneration Committee at its meeting established the criteria based on which the Board evaluate the performance of the Directors.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Non-Independent Directors and Board as a whole was also carried out by the Independent Directors.

The Directors expressed their satisfaction over the evaluation process and results thereof.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Rahul Srivastava resigned as Company Secretary and Key Managerial Personnel with effect from 4th April, 2018. The Board places on record its appreciation for the services rendered by Mr. Srivastava during his tenure with the Company.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 26th July, 2018 appointed Mr. Bishwajit Singh as Company Secretary and Key Managerial Personnel of the Company with effect from 01st August, 2018.

The tenure of appointment of Mr. Mangilal Jain and Mr. Santanu Ray as Independent Directors expired on 31st March, 2019. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 04th February, 2019 re-appointed Mr. Mangilal Jain as an Independent Director for a second term of 1 (one) consecutive year from 1st April, 2019 upto 31st March, 2020 and re-appointed Mr. Santanu Ray as an Independent Director for a second term of 2 (two) consecutive year from 1st April, 2019 upto 31st March, 2021 by way of special resolution passed at the Extra-Ordinary General Meeting held on 29th March, 2019.

In accordance with the provisions of Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Rajendra Chamaria, Director will retire by rotation and being eligible offer himself for re-appointment. In view of his considerable experience, your Directors recommend his re-appointment.

The following are Key Managerial Personnel of the Company:

1. Mr. Prem Kumar Bhajanka - Managing Director
2. Mr. Amit Kumar Singh - Chief Financial Officer
3. Mr. Bishwajit Singh – Company Secretary

HOLDING COMPANY

Your Company continues to remain subsidiary of M/s Star Cement Limited (Formerly Cement Manufacturing Company Limited) which holds 87.49% equity in the Company.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

The Company does not have any subsidiary, associate and joint venture.

DEPOSITS

During the year under report, the Company has not accepted any deposits from public or from any of the Directors of the Company or their relatives falling under ambit of Section 73 of the Companies Act, 2013.

CHANGES IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS

During the year under review, there have been no material orders passed by the Regulators/Courts impacting materially the going concern status or future operations of the Company.

There were no material changes and commitments affecting the financial position of the Company during the period under review.

CREDIT RATINGS

Your Company enjoys a sound reputation for its prudent financial management and its ability to meet financial obligations. ICRA Limited, has reaffirmed the Company's short term rating to [ICRA]A1+ (pronounced ICRA A one plus) and upgraded the long term rating at [ICRA]AA- (pronounced as ICRA double A minus) from [ICRA]A+ (pronounced ICRA A plus).

ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

POLICY ON PREVENTION OF SEXUAL HARASSMENT

The Company values the integrity and dignity of its employees. The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). We affirm that adequate access has been provided to any complainants who wish to register a complaint under the policy. No complaint was received during the year.

RISK MANAGEMENT

Risk management refers to the practice of identifying potential risks in advance, analyzing them and taking precautionary steps to reduce the risk. The Company has evolved a risk management framework to identify, assess and mitigate the key risk factors of the business. The Board of the Company is kept informed about the risk management of the Company.

COMMITTEES OF THE BOARD

The details of composition of the Committees of the Board of Directors are as under:-

- Audit Committee

Your Company has an Audit Committee at the Board level, which acts as a link between the management, the statutory and internal auditors and the Board of Directors to oversee the financial reporting process.

During the year under review, the Audit Committee met Four (4) times to deliberate on the various matters. The Meetings were held on 17th May, 2018, 26th July, 2018, 12th November, 2018 and 04th February, 2019. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Santanu Ray	Independent	Chairman	4	4
Mr. Mangilal Jain	Independent	Member	4	4
Mr. Sajjan Bhajanka	Non- Independent	Member	4	4

A Vigil (Whistle Blower) mechanism provides a formal mechanism to the Employees and Directors to report to the Management, concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. Pursuant to the requirements of the Act, the Company has established vigil mechanism for its directors and employees under the supervision of Audit Committee. A whistle blower policy setting out the vigil mechanism is already in place in your Company.

- Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee was constituted as per the requirements of Section 135 of the Companies Act, 2013 at the Board level. During the year, your Company has carried out various activities as part of its CSR initiative. The focus areas have been health care, education, sustainable livelihood, infrastructure and social reform.

During the year, the Committee met on 17th May, 2018. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Sanjay Agarwal	Non-Independent	Chairman	1	1
Mr. Sajjan Bhajanka	Non-Independent	Member	1	1
Mr. Mangilal Jain	Independent	Member	1	1

- Nomination & Remuneration Committee

The Committee identifies, screens and review individuals who are qualified to become Directors, Key managerial Personnel and Senior Management staff. The Committee also makes recommendations to the Board for such appointment and removal and carries out evaluation of every director's performance.

During the year, the Committee met on 17th May, 2018 and 04th February, 2019. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Santanu Ray	Independent	Chairman	2	2
Mr. Sajjan Bhajanka	Non-Independent	Member	2	2
Mr. Mangilal Jain	Independent	Member	2	2

- Finance Committee

The Finance Committee deals within the terms of reference defined by the Board and ensures their expeditious implementation.

During the year under review, the Finance Committee met Four (4) times to deliberate on the various matters. The Meetings were held on 11th May, 2018, 26th July, 2018, 04th January, 2019 and 04th February, 2019. The composition of the Committee and the attendance details of the members are given below:

Name of the Director	Category	Chairman/ Members	No. of Meeting	
			Held	Attended
Mr. Sajjan Bhajanka	Non-Independent	Chairman	4	4
Mr. Sanjay Agarwal	Non-Independent	Member	4	4
Mr. Rajendra Chamaria	Non-Independent	Member	4	2

HUMAN AND INDUSTRIAL RELATIONS

Employee relationship with your Company continues to remain cordial and harmonious. Your Directors place on record their appreciation for the continued support rendered by the employees of the Company.

The Company is continuing its efforts in induction of local managerial and non-managerial employees and has conducted regular recruitment and training programs for development of required skills at the local level.

PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under Section 197 of Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked **Annexure - 5** and forms part of this report. The Company has no employee whose remuneration exceeds the limit prescribed under section 197 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ACKNOWLEDGEMENT

The Directors would like to express their grateful appreciation for the assistance and cooperation received from the Banks, financial Institutions, Government Authorities, Local authorities, customers, vendors, business partners/ associates and Holding Company for their continued guidance and support.

Your Directors would also like to place on record their sincere appreciation for the commitment, dedication and hard work put in by every member of the Company and dedicates the credit for the Company's achievements to them.

For and on behalf of the Board of Directors

	Prem Kumar Bhajanka	**Sajjan Bhajanka**
Place: Kolkata	Managing Director	Director
Date: 7th May, 2019	(DIN: 00591512)	(DIN: 00246043)

Annexure - 1

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1	CIN	U63090ML2005PLC008011
2	Registration Date	Incorporated on 22nd December, 2005
3	Name of the Company	Star Cement Meghalaya Limited
4	Category/Sub-category of the Company	Company limited by Shares/ Non - Govt. Company
5	Address of the Registered office & contact details	Village: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210 Phone No. : 03655 -278215/16/18
6	Whether Listed Company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10 % or more of the total turnover of the company are stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cement Clinker	23941	99.92

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Star Cement Limited (Formerly Cement Manufacturing Company Ltd.) Village: Lumshnong, P.O.: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya – 793210	L26942ML2001PLC006663	Holding	87.49	2(46)

IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) *Individual/ HUF	-	6	6	0.00	-	6	6	0.00	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	2,98,17,812	2,98,17,812	100.00	-	2,98,17,812	2,98,17,812	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub -total (A) (1)	**-**	**2,98,17,818**	**2,98,17,818**	**100.00**	**-**	**2,98,17,818**	**2,98,17,818**	**100.00**	**-**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub - total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of promoter (A) = (A) (1) + (A) (2)	**-**	**2,98,17,818**	**2,98,17,818**	**100.00**	**-**	**2,98,17,818**	**2,98,17,818**	**100.00**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public shareholding (B) =(B) (1) + (B) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**-**	**2,98,17,818**	**2,98,17,818**	**100.00**	**-**	**2,98,17,818**	**2,98,17,818**	**100.00**	**-**

*6 individuals holding one share each as nominees of Star Cement Limited (Formerly Cement Manufacturing Company Limited)

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2018]			Shareholding at the end of the year [As on 31-March-2019]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Star Cement Limited*	2,60,88,656	87.49	-	2,60,88,656	87.49	-	-
2	Megha Technical & Engineers Pvt. Ltd.	37,29,162	12.51	-	37,29,162	12.51	-	-
	Total	**2,98,17,818**	**100.00**	**-**	**2,98,17,818**	**100.00**	**-**	**-**

*Star Cement Limited alongwith its 6 nominees.

(iii) Change in Promoters' Shareholding (please specify if there is no change)

There are no changes in Promoters' Shareholding during the financial year 2018-19.

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	NOT APPLICABLE					
	Changes during the year						
	At the end of the year						

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managenal Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Sajjan Bhajanka (Non-Executive Director)						
	At the beginning of the year	01.04.2018		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		-	-	-	-
2	Mr. Sanjay Agarwal (Non-Executive Director)						
	At the beginning of the year	01.04.2018		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		-	-	-	-
3	Mr. Rajendra Chamaria (Non-Executive Director)						
	At the beginning of the year	01.04.2018		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		-	-	-	-
4	Mr. Prem Kumar Bhajanka (Managing Director)						
	At the beginning of the year	01.04.2018		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		-	-	-	-
5	Mr. Pankaj Kejriwal (Non-Executive Director)						
	At the beginning of the year	01.04.2018		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		-	-	-	-

Sl. No.	Shareholding of each Directors and each Key Managenal Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
6	**Mrs. Clara Suja (Non-Executive Director)**						
	At the beginning of the year	01.04.2018		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		-	-	-	-
7	**Mr. Mangilal Jain (Independent Director)**						
	At the beginning of the year	01.04.2018		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		-	-	-	-
8	**Mr. Santanu Ray (Independent Director)**						
	At the beginning of the year	01.04.2018		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		-	-	-	-
9	**Mr. Rahul Srivastava (Company Secretary upto 04.04.2018)**						
	At the beginning of the year	01.04.2018		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	04.04.2018		-	-	-	-
10	**Mr. Bishwajit Singh (Company Secretary w.e.f. 01.08.2018)**						
	At the beginning of the year	01.08.2018		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		-	-	-	-
11	**Mr. Amit Kumar Singh (Chief Financial Officer)**						
	At the beginning of the year	01.04.2018		-	-	-	-
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2019		-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amt. ₹/Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits**	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,445.12	-	-	7,445.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11.88	-	-	11.88
Total (i+ii+iii)	**7,457.00**	**-**	**-**	**7,457.00**
Change in Indebtedness during the financial year#				
Addition	1,242.15	-	-	1,242.15
Reduction	(6,290.31)	-	-	(6,290.31)
Net Change	(5,048.16)	-	-	(5,048.16)
Indebtedness at the end of the financial year				
i) Principal Amount	2,396.96	-	-	2,396.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.02	-	-	2.02
Total (i+ii+iii)	**2,398.98**	**-**	**-**	**2,398.98**

** Trade Deposits have not been included.

Loss on account of Exchange Fluctuation in respect of Loans in Foreign Currency has been included in addition in indebtedness. Similarly, gain on account of Exchange Fluctuation has been included in Reduction in indebtedness.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amt. ₹/Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	Mr. Prem Kumar Bhajanka	
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	198.00	198.00
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	198.00	198.00
	Ceiling as per the Act	5% of the Net profit as calculated under Section 198 of the Companies Act, 2013 i.e. ₹333.57 lacs	

B. Remuneration to other Directors

(Amt. ₹/Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Santanu Ray	Mr. Mangilal Jain	Mrs. Clara Suja	
1	Independent Directors				
	Fee for attending Board / Committee meetings	0.40	0.43	-	0.83
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0.40	0.43	-	0.83
2	Other Non-Executive Directors				
	Fee for attending Board / Committee meetings	-	-	0.05	0.05
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	0.05	0.05
	Total (B)=(1+2)	0.40	0.43	0.05	0.88
	Total Managerial Remuneration				198.88
	Overall ceiling as per the Act	11% of Net profit as calculated under Section 198 of the Companies Act, 2013 i.e. ₹733. 85 lacs			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amt. ₹/Lacs)

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Mr. Amit Kumar Singh	Mr. Rahul Srivastatva #	Mr. Bishwajit Singh##	
	Designation	Chief Financial Officer	Company Secretary	Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.09	-	3.27	11.36
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	**8.09**	**-**	**3.27**	**11.36**

Resigned as Company Secretary w.e.f. 04.04.2018.

Appointed as Company Secretary w.e.f. 01.08.2018

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)

There were no penalities/Punishments/Compounding of offences for breach of any provisions of the Companies Act, 2013 against the Company or its Directors or other Officer in default during the year.

Annexure - 2

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
STAR CEMENT MEGHALAYA LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **STAR CEMENT MEGHALAYA LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder [Not applicable to the Company during the audit period];

iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder [Not applicable to the Company during the audit period];

iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI were not applicable.

vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter alia, applicable to the Company:

   a) The Mines And Minerals (Development And Regulation) Act, 1957

   b) The Meghalaya Clinker Cess Act, 2015

   c) The Environment (Protection) Act, 1986

   d) The Water (Prevention and Control of Pollution) Act, 1974

   e) The Air (Prevention and Control of Pollution) Act, 1981

   f) The Explosives Rules, 2008

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with our letter of even date which is annexed as **Annexure – 1** which forms an integral part of this report.

For MKB & Associates
Company Secretaries

Raj Kumar Banthia
(Partner)
ACS no. 17190
COP no. 18428
FRN: P2010WB042700

Date: 6th May, 2019
Place: Kolkata

Annexure - 1

To
The Members,
STAR CEMENT MEGHALAYA LIMITED

Our report of even date is to be read along with this letter.

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MKB & Associates
Company Secretaries

Raj Kumar Banthia
(Partner)
ACS no. 17190
COP no. 18428
FRN: P2010WB042700

Date: 6th May, 2019
Place: Kolkata

Annexure - 3

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis – NIL

   All transactions entered into by the Company during the year with related parties were on arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

   (a) Name(s) of the related party and nature of relationship – Star Cement Limited (SCL), Holding Company

   (b) Nature of contracts/arrangements/transactions –

      (i) Sale, purchase or supply of any goods or materials [Section 188(1)(a) of Companies Act, 2013]

      (ii) Availing and Rendering of Services [Section 188(1)(d) of Companies Act, 2013]

   (c) Duration of the contracts/arrangements/transactions - On-going transaction (Continuous)

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

      The transaction with Star Cement Limited includes:

      (i) Sale of Clinker

      (ii) Purchase of Cement

      (iii) Services Rendered

      The transaction value for the financial year 2018-19 with SCL was ₹58,275.73 Lacs.

   (e) Date(s) of approval by the Board, if any:

      Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, these are reported to the Audit Committee / Board at their quarterly meetings.

   (f) Amount paid as advances, if any: NIL

For and on behalf of the Board of Directors

	Prem Kumar Bhajanka	**Sajjan Bhajanka**
Place: Kolkata	Managing Director	Director
Date: 7th May, 2019	(DIN: 00591512)	(DIN: 00246043)

Annexure - 4

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. **A brief outline of the Company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes:**

   The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013. The main objective of the Policy is to establish the basic principles and the general framework of action for management to undertake and fulfill its Corporate Social Responsibility.

2. **The composition of the CSR Committee**

   - Mr. Sanjay Agarwal - Chairman
   - Mr. Sajjan Bhajanka - Non-Executive Director
   - Mr. Mangilal Jain - Independent Director

3. **Average Net Profit of the Company for last 3 financial years:** ₹9,656.05 Lacs

4. **Prescribed CSR expenditure (2% of amount):** ₹ 193.12 Lacs

5. **Details of CSR activities/projects undertaken during the year:**

   a) **Total amount to be spent for the financial year:** ₹193.12 Lacs

   b) **Amount un-spent, if any**: Nil

   c) **Manner in which the amount spent during financial year is detailed below:**

(₹ in Lacs)

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects/Programs 1.Local area or other 2.Specify the state and district where project or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1.Direct expenditure on projects or programs, 2.Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct/ through implementing agency*
1	Promoting education and providing non-formal primary education through cost effective One Teacher school (O.T.S.) i.e. Ekal Vidyalaya to rural and tribal people, Kalyan Bharati Trust and Vivekananda Kendriya Vidyalaya.	Education	In various parts of India	175.00	175.00	175.00	Through implementing agency and Direct
2.	Providing various support towards educational upliftment	Education	Meghalaya	21.55	21.55	21.55	Through registered trust
3.	Development activities like Drainage Work at Village, Construction of foot bridge, foot path, road and drainage etc.	Rural Development	Meghalaya	24.97	24.97	24.97	Through registered trust

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects/Programs 1.Local area or other 2.Specify the state and district where project or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1.Direct expenditure on projects or programs, 2.Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct/ through implementing agency*
4	Promoting health care including preventive health care, sanitation programs and organizing medical camps	Health and sanitation	Assam and Meghalaya	16.94	16.94	16.94	Through registered trust and Direct
5	Enhancing vocational skills	Livelihood enhancement	Assam and Meghalaya	23.41	23.41	23.41	Through registered trust
	Total			**261.87**	**261.87**	**261.87**	

**Details of implementing Agency/ Trust*: Friends of Tribal Society and Lumshnong Village Area Local Welfare Trust

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on the behalf of the Board of Directors

Prem Kumar Bhajanka
Managing Director
(DIN: 00591512)

Sanjay Agarwal
Chairman–CSR Committee
(DIN: 00246132)

Place: Kolkata
Date: 7th May, 2019

Annexure - 5

Statement of Particulars of Employees pursuant to the Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name of the Employees	Designation	Remuneration Received (₹ in lacs)	Nature of Employment	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last Employment	% of Equity Share held in the Company	Relation with Director, if any
1.	Mr. Alok Gupta	A.V.P. Civil	53.75	Permanent	B.E. Civil	30	14.04.2007	54	Shree Cement Ltd.	NIL	None
2	Mr. Ramesh Chand Pareek	General Manager - Accounts	39.47	Permanent	Commerce Graduate	37	01.07.2014	57	Barak Valley Cements Ltd.	NIL	None
3	Mr. Sushil Kumar Kulshrestha	General Manager - Process	39.31	Permanent	M.Sc, PGDC, MBA (Operation)	26	16.10.2012	49	Loesche India Pvt. Ltd.	NIL	None
4	Mr. Manoj Sovasaria	General Manager - Supply Chain Management	35.78	Permanent	B.Com (Hons), P.G.D.B.A.	27	01.10.2002	45	Barak Valley Cements Ltd.	NIL	None
5	Mrs. Renu Chamaria	Executive Director(Admin)	33.08	Permanent	Graduate	26	01.11.2016	58	-	NIL	Wife of Shri Rajendra Chamaria
6	Mrs. Vrinda Kedia (Chamaria)	Executive Director(Branding & Marketing)	31.08	Permanent	Post Graduate	6	01.11.2016	30	-	NIL	Daughter-in-law of Shri Rajendra Chamaria
7	Mr. Yugal Kishore Singh	Senior General Manager – Quality Control	27.70	Permanent	M. Sc (In-Organic Chemistry) PG Diploma in Marketing & Sales	26	14.11.2017	54	-	NIL	None
8	Mr. Jyoti Prakash Sinha	Deputy General Manager - Stores & Purchase	22.94	Permanent	Diploma in Materials Management	32	25.05.2011	53	Buckau Wolf India Ltd.	NIL	None
9	Mr. Arun Kumar Sharma	Sr. Manager - Purchase	22.41	Permanent	Commerce Graduate	24	03.09.2012	53	Heidelberg Cement India Ltd.	NIL	None
10	Mr. Sandeep Jalan	General Manager – Supply Chain Management	18.68	Permanent	Graduate	21	01.11.2009	51	-	NIL	Brother-in-law of Shri Rajendra Chamaria

Independent Auditors' Report

To
the Members of
Star Cements Meghalaya Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Star Cements Meghalaya Limited** (the "Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss(including other comprehensive income), Statement of changes in equity and Statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014;

(e) On the basis of the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**

(g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 42 to the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

For D.K.Chhajer & Co.
Chartered Accountants
Firm Registration No.: 304138E

Niraj K Jhunjhunwala
Partner
Membership No.: 057170

Place: Kolkata
Date: 7th May, 2019

Annexure A to Independent Auditors' Report

Referred to in Independent Auditors' Report of even date to the members of Star Cements Meghalaya Limited on the financial statements for the year ended March 31, 2019

i. In respect of the Company's fixed assets:

a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets of the company are physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The physical verification of inventory has been conducted at reasonable intervals by the Management and no material discrepancies were noticed on such verification.

iii. The Company has granted loans to one body corporate covered in the register maintained under Section 189 of the Companies Act, 2013('the Act'):

a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the body corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

b) In the case of loan granted to the body corporate listed in the register maintained under section 189 of the Act, the borrower has been regular in the payment of the principal and interest as stipulated.

c) There are no overdue amounts in respect of the loan granted to the body corporate listed in the register maintained under section 189 of the Act.

iv. The Company has neither granted any loan nor provided any guarantee or security hence the provision of Section 185 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us with respect to the investments made, the Company has complied with the provisions of Section 186 of the Act.

v. The Company has not accepted any deposits with the meaning of sections 73 to 76 of the Act and the companies (Acceptance of Deposits) Rules, 2014 (as amended) and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain Cost Records as specified under Sec 148(1) of the act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

a) The Company has been regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, goods and service tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.

There were no undisputed amounts payable in respect of provident fund, employee state insurance, income tax, sales tax, goods and service tax, Duty of Customs and the other material statutory dues in arrear as at March 31,2019 for a period of more than six months from the date they became payable

b) The particulars of dues of Service tax, Excise duty, cess, etc. which have not been deposited as at March 31, 2019 on account of dispute, are given as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	346.34	Jan-13 to Mar-15	Commissioner, Central Excise & Service Tax-Shillong
The Central Excise Act, 1944	Service Tax	13.76	2011- 12	CESTAT

viii. The Company has not defaulted in repayment of loans or borrowings to any financial institution or banks as at the balance sheet date. The Company has neither issued any debentures nor has taken any loans or borrowings from the Government as at the balance sheet date.

ix. The Company has not raised any money by way of initial public offer/further public offer (including debt instruments)/term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. We have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.

xii. As the Company is not a Nidhi Company, the provisions of clause 3(xii) of the Order are not applicable.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. No money was raised through preferential allotment/ private placements of shares/fully/partly convertible debentures during the year under review, hence, the provisions of Clause 3(xiv) of the said order is not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or person connected with them. Accordingly, clause 3(xv) of the Order is not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly the provision of clause 3(xvi) are not applicable to the Company.

For D.K.Chhajer & Co.
Chartered Accountants
Firm Registration No.: 304138E

Niraj K Jhunjhunwala
Partner
Membership No.: 057170

Place: Kolkata
Date: 7th May, 2019

Annexure B to Independent Auditors' Report

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Star Cements Meghalaya Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that :

(1) pertain to the maintenance of records that, in reasonable detail,accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial controls over financial reporting to future periods are subject to risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For D.K.Chhajer & Co.
Chartered Accountants
Firm Registration No.: 304138E

Niraj K Jhunjhunwala
Partner
Membership No.: 057170

Place: Kolkata
Date: 7th May, 2019

Balance Sheet as at 31 March, 2019

(₹ in lacs)

Particulars		Notes	31-Mar-19	31-Mar-18
ASSETS				
(1)	Non-current assets			
(a)	Property, plant and equipment	3	26,062.99	29,810.18
(b)	Capital work-in-progress		1,443.42	381.42
(c)	Intangible assets	3.1	1.18	1.78
(d)	Financial assets			
	(i) Loans	4	5,002.74	2,503.22
	(ii) Other financial assets	5	175.65	2.53
(e)	Deferred tax assets (net)	6	7,776.29	6,606.63
(f)	Non current tax asset (net)	7	13.25	180.58
(g)	Other non-current assets	8	1,696.81	1,678.06
Total non-current assets			**42,172.33**	**41,164.40**
(2) Current assets				
(a)	Inventories	9	14,519.27	12,694.62
(b)	Financial assets			
	(i) Trade receivables	10	4,465.36	10,346.60
	(ii) Cash and cash equivalents	11	1,405.05	869.99
	(iii) Loans	12	1,657.22	180.66
(c)	Other current assets	13	11,279.15	19,143.89
	Total current assets		**33,326.05**	**43,235.76**
	Total assets		**75,498.38**	**84,400.16**
EQUITY AND LIABILITIES				
Equity				
(a)	Equity share capital	14	2,981.78	2,981.78
(b)	Other equity	15	58,904.87	57,262.37
Total equity			**61,886.65**	**60,244.15**
Liabilities				
(1)	Non-current liabilities			
(a)	Financial liabilities			
	(i) Borrowings	16	146.87	2,833.16
	(ii) Other financial liabilities	17	21.03	21.06
(b)	Employee Benefit obligations	18	74.63	57.90
(c)	Other non current liabilities	19	1,381.84	1,683.61
Total non-current liabilities			**1,624.37**	**4,595.73**
(2)	Current liabilities			
(a)	Financial liabilities			
	(i) Borrowings	20	2,084.18	1,602.50
	(ii) Trade payables			
	a) Total outstanding dues of micro enterprises and small enterprises		-	-
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		6,054.79	9,367.64
	(iii) Other financial liabilities	21	1,986.17	5,257.89
(b)	Employee benefit obligation	22	49.91	40.93
(c)	Current tax liabilities (net)	23	59.12	322.32
(d)	Other current liabilities	24	1,753.19	2,969.00
Total current liabilities			**11,987.36**	**19,560.28**
Total liabilities			**13,611.73**	**24,156.01**
Total equity and liabilities			**75,498.38**	**84,400.16**
Significant Accounting Policies		1 & 2		
The accompanying notes are an integral part of the financial statements.				

As per our report of even date

For D.K. Chhajer & Co.
Chartered Accountants
Firm Registration No.: 304138E

For and on behalf of the Board of Directors

Niraj K Jhunjhunwala
Partner
Membership No.: 057170

Amit Kumar Singh
Chief Financial Officer

Prem Kumar Bhajanka
Managing Director
DIN:00591512

Bishwajit Singh
Company Secretary

Sajjan Bhajanka
Director
DIN:00246043

Place: Kolkata
Date: 7th May, 2019

Statement of Profit and Loss for the year ended 31 March, 2019

(₹ in lacs)

Particulars	Notes	31-Mar-19	31-Mar-18
INCOME			
Revenue from operations	25	58,403.72	50,055.78
Other income	26	515.65	181.83
Total income		**58,919.37**	**50,237.61**
EXPENSES			
Cost of materials consumed	27	5,713.23	5,746.85
(Increase)/ decrease in inventories	28	37.67	(625.84)
Excise duty		-	227.93
Employee benefit expenses	29	3,126.63	2,860.82
Finance costs	30	158.25	1,156.16
Depreciation and amortization expenses	31	4,202.57	4,516.73
Other expenses	32	39,002.24	25,046.09
Total expenses		**52,240.59**	**38,928.74**
Profit before tax		**6,678.78**	**11,308.87**
Tax expenses			
-Current tax	34	1,169.21	2,146.94
-Deferred tax		(1,168.21)	(2,142.20)
Total tax expense		**1.00**	**4.74**
Profit for the year		**6,677.78**	**11,304.13**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	36	(4.16)	(15.43)
Deferred tax relating to this items		1.45	5.39
Other comprehensive income for the year (net of tax)		**(2.70)**	**(10.04)**
Total comprehensive income for the year		**6,675.08**	**11,294.09**
Earnings per equity share (face value of ₹ 10/- each)			
Basic earning per share (In ₹)	35	22.40	37.91
Diluted earning per share (In ₹)	35	22.40	37.91
Significant Accounting Policies & Notes on Accounts	1 & 2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

For D.K. Chhajer & Co.
Chartered Accountants
Firm Registration No.: 304138E

For and on behalf of the Board of Directors

Niraj K Jhunjhunwala
Partner
Membership No.: 057170

Amit Kumar Singh
Chief Financial Officer

Prem Kumar Bhajanka
Managing Director
DIN:00591512

Bishwajit Singh
Company Secretary

Sajjan Bhajanka
Director
DIN:00246043

Place: Kolkata
Date: 7th May, 2019

Statement of Changes in Equity for the year ended 31 March, 2019

A. Equity share capital

(₹ in lacs)

Particulars	Amount
As at 1 April, 2017	2,981.78
Changes in equity share capital	-
As at 31 March, 2018	2,981.78
Changes in equity share capital	-
As at 31 March, 2019	**2,981.78**

B. Other equity

(₹ in lacs)

Particulars	Reserve and surplus		Total other equity
	Securities premium	Retained earnings	
Balance as at 01 April, 2017	17,416.22	28,552.06	45,968.28
Profit for the year (a)	-	11,304.13	11,304.13
Other comprehensive income /(loss) (net of tax) for the year (b)	-	(10.04)	(10.04)
Total comprehensive income for the year (a + b)	**-**	**11,294.09**	**11,294.09**
Balance as at 31 March, 2018	**17,416.22**	**39,846.15**	**57,262.37**

(₹ in lacs)

Particulars	Reserve and surplus		Total other equity
	Securities premium	Retained earnings	
Balance as at 01 April, 2018	17,416.22	39,846.15	57,262.37
Profit for the year (a)	-	6,677.78	6,677.78
Other comprehensive income /(loss) (net of tax) for the year (b)	-	(2.70)	(2.70)
Total comprehensive income for the year (a + b)	**-**	**6,675.08**	**6,675.08**
Dividends paid		4,174.49	4,174.49
Dividend Distribution Tax		858.08	858.08
Balance as at 31 March, 2019	**17,416.22**	**41,488.65**	**58,904.86**
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

For D.K. Chhajer & Co.
Chartered Accountants
Firm Registration No.: 304138E

For and on behalf of the Board of Directors

Niraj K Jhunjhunwala
Partner
Membership No.: 057170

Amit Kumar Singh
Chief Financial Officer

Prem Kumar Bhajanka
Managing Director
DIN:00591512

Bishwajit Singh
Company Secretary

Sajjan Bhajanka
Director
DIN:00246043

Place: Kolkata
Date: 7th May, 2019

Cash Flow Statement for the year ended 31 March, 2019

(₹ in lacs)

	Particulars	31-Mar-19	31-Mar-18
A	**Cash flow from operating activities**		
	Net Profit before tax	6,678.78	11,308.87
	Adjustments for :		
	Depreciation [refer note 31]	4,202.57	4,516.73
	Unrealised Foreign Exchange (Gain) / Loss- on export receivable	(3.15)	(14.22)
	Profit/ loss on sale of property,plant & equipment	(6.39)	(0.31)
	Interest Income [refer note 26]	(491.95)	(163.39)
	Interest Expenses [refer note 30]	158.25	1,156.16
	Provision for Leave Encashment	42.01	35.43
	Provision for Gratuity	82.53	47.97
	Operating Profit before working Capital changes	**10,662.65**	**16,887.24**
	Adjustments for :		
	(Increase)/Decrease in Inventories	(1,824.65)	(7,704.77)
	(Increase)/Decrease in Trade receivables	5,884.31	(7,075.23)
	(Increase)/Decrease in Other receivables	(3,976.09)	430.84
	(Increase)/Decrease in Other assets	8,013.32	6,893.30
	(Increase)/Decrease in Trade/Other payables	(6,584.54)	5,092.49
	(Increase)/Decrease in Other liabilities	(1,490.76)	3,755.72
	Cash Generated form Operations	**10,684.24**	**18,279.59**
	Income Tax Paid	(1,166.81)	(2,000.00)
	Net Cash flow from Operating Activities	**9,517.43**	**16,279.59**
B	**Cash flow from Investing Activities**		
	(Purchase)/sale of property, plant and equipment (including WIP)- net	(1,905.77)	(893.51)
	Fixed Deposit / Margin money (given)/ refund	(173.12)	2.45
	Interest Received	491.95	163.39
	Net Cash used in Investing Activities	**(1,586.94)**	**(727.67)**
C	**Cash Flow from Financing Activities**		
	Repayment of loans from Companies and Public Bodies	-	(600.00)
	Proceeds from /(Repayment of) Long term borrowings	(2,686.29)	(7,303.98)
	Proceeds from /(Repayment of) Short Term Borrowings	481.68	(6,006.95)
	Interest paid	(158.25)	(1,154.27)
	Dividend Paid	(4,174.49)	-
	Corporate Dividend Tax Paid	(858.08)	-
	Net Cash used in Financing Activities	**(7,395.43)**	**(15,065.20)**
	Net Increase/(decrease) in cash and cash equivalents (A+B+C)	**535.06**	**486.72**
	Cash and Cash Equivalents [refer note 11]		
Opening Balance		**869.99**	**383.27**
Closing Balance		**1,405.05**	**869.99**

Note:

Significant non-cash movement in borrowing during the year include:

a) foreign exchange loss of ₹75.94 lacs (31 March 2018 : ₹7.71 lacs)

b) recognition of finance lease Nil (31 March 2018 : ₹497.99 lacs)

As per our report of even date

For D.K. Chhajer & Co.
Chartered Accountants
Firm Registration No.: 304138E

Niraj K Jhunjhunwala
Partner
Membership No.: 057170

Place: Kolkata
Date: 7th May, 2019

For and on behalf of the Board of Directors

Amit Kumar Singh
Chief Financial Officer

Prem Kumar Bhajanka
Managing Director
DIN:00591512

Bishwajit Singh
Company Secretary

Sajjan Bhajanka
Director
DIN:00246043

Notes to Financial Statements for the year ended 31 March, 2019

Significant Accounting Policies

Corporate Information

Star Cement Meghalaya Limited ("the Company") is a Public Limited Company domiciled in India and incorporated on 22nd December, 2005 as per the provisions of Companies Act 1956. The Company is engaged in manufacturing of Cement Clinker. The manufacturing unit of the Company is located at Lumshnong, Meghalaya. The Company is selling its product across North Eastern and Eastern states of India and also exporting to Bhutan and Nepal.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and, companies (Indian Accounting Standards) amendment rules, 2016 and other relevant provisions of the Act.

The Company has adopted all the applicable Ind AS standards effective 1st April, 2017 and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The accounting policies are consistently followed by the Company and changes in accounting policy are separately disclosed.

(ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

- defined benefit plans – plan assets measured at fair value
- certain financial assets that are measured at fair value

iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

1.2 Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

1.3 Foreign Currency Transactions and Balances

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is Star Cement Meghalaya Limited's functional and presentation currency.

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transactions. Exchange differences arising on settlement /restatement of short–term foreign currency monetary assets and liabilities of the Company are recognized as income or expenses in the Statement of Profit and Loss. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

The Company has adopted the provisions of para 46A of AS-11 "The Effects of Changes in Foreign Exchange Rates", and accordingly exchange differences arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable property, plant and equipments are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

1.4 Property, plant and equipment

Property, plant & equipment are stated at their cost of acquisition, installation or construction (net of any recoverable amount, wherever applicable) less accumulated depreciation, amortization and impairment losses, except freehold land which is carried at cost. Cost comprises the purchase price, installation and other directly attributable cost of bringing the asset to working condition for its intended use.

Capital Work in Progress

Capital work in progress is carried at cost comprising direct cost and includes any directly attributable cost incurred during construction period.

Expenditure during construction period

In case of new projects and substantial expansion of existing units, expenditure incurred including trial production expenses net of revenue earned, and attributable interest and financing costs, prior to commencement of commercial production/completion of project are capitalized.

Depreciation

Depreciation on Property, plant and equipment is provided on written down value method in accordance with the provisions of Schedule II to the Companies Act, 2013 and considering the useful lives for computing depreciation specified in Part 'C', thereof'. Depreciation is provided on components that have homogenous useful lives by using the WDV method so as to depreciate the initial cost down to the residual value over the estimated useful lives. Useful lives, components and residual amounts are reviewed annually.

In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

1.5 Intangible Asset

An Intangible Asset is recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. The depreciable amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased software and IT related expenditure are written off over a period of three years.

1.6 Research and Development Expenditure

Revenue expenditure is charged to the Statement of Profit and Loss and capital expenditure is added to the cost of property, plant and equipment in the year in which they are incurred.

1.7 Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

1.8 Government Grants and Subsidies

Government grants and subsidies are recognised when there is reasonable certainty that the same will be received. Revenue grants in the nature of recoupment/ reimbursement of any particular item of expenses are recognized in the Statement of Profit and Loss Account as deduction from related item of expenditure. Grants related to assets which are recognized in the Balance Sheet as deferred income, are recognized to the Statement of profit and loss on a systematic basis over the useful life of the related assets by netting off with the related expense.

1.9 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

1.10 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

1.11 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time for its intended use to get ready for its intended use. All other borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing cost includes exchange differences arising from relevant foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost.

1.12 Inventories

Raw materials, stores and spares are valued at lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work in progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials & labour and a part of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Cost of inventories (excluding finished goods and work-in-progress) is computed on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.13 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.14 Investments and Other Financial Assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into the following categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collections of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments (except associate) at fair value through profit or loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

1.15 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.16 Financial liabilities

Initial recognition and measurement

The Company recognises all the financial liabilities on initial recognition at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

All the financial liabilities are classified as subsequently measured at amortised cost, except for those mentioned below.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as Fair Value through profit or loss, fair value gains/losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/losses are not subsequently transferred to Profit or Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

1.17 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

1.18 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash in hand, demand deposits with banks and other short-term highly liquid investments / deposits with an original maturity of three months or less.

1.19 (A) Revenue Recognition

Sales are recognised when control of the products has transferred, domestic sales are accounted when the products are dispatched to the customers and export sales are accounted on the basis of bill of export/bill of lading. Delivery occurs when the product has been dispatched to the specific location and the risk of obsolescence / loss has been transferred and there is no unfulfilled obligation that could affect the buyer's acceptance of the product as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Revenue for current year is exclusive of goods and service tax, and net of discount, sales return and foreign exchange gain/(loss). Revenue for previous year is inclusive of excise duty but net of sales tax/value added tax/ goods and service tax, discount and sales return, as applicable.

Revenue is recognised based on the price and as per terms specified in the contract. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the goods are dispatched as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(B) Other Income

Interest income is recognised using the effective interest rate (EIR) method.

Dividend income on investments is recognised when the right to receive dividend is established.

1.20 Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Defined Contribution Plan

Employees benefits in the form of provident fund, ESIC and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due.

(iii) Defined Benefit Plan

Retirement benefits in the form of gratuity is considered as defined benefits obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the Balance Sheet date.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and reflected in retained earnings .

(iv) Other Long-term benefits

Long-term compensated absences are provided for on the actuarial valuation, using the projected unit credit method, as at the Balance Sheet date.

1.21 Tax Expenses

Tax expense comprises current and deferred tax. Provision for current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

The deferred tax in respect of temporary differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognized to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act, 1961.

1.22 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss before other comprehensive income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss before other comprehensive income for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.23 Provisions and Contingencies

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are also disclosed by way of notes to the accounts.

1.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.25 Dividends

Dividends paid (including dividend distribution tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders. The corresponding amount is recognised directly in equity.

2. Recent Accounting Developments -Standards issued but not yet effective

(a) Ind AS 116 – "Leases"

Ind AS 116 was notified by Ministry of Corporate Affairs on 30 March 2019 and it is applicable for annual reporting periods beginning on or after 1 April 2019. Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The Statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.

Presently, the Company is in the process of evaluating the impact that application of Ind AS 116 is expected to have on its financial statements. The Company intends to apply simplified transition approach and will not restate comparative information in the financial statements for the year ending 31 March 2020 to show the impact of adopting Ind AS 116.

b) Appendix C, 'Uncertainty over Income Tax Treatments', to Ind AS 12, 'Income Taxes'

This appendix was notified by Ministry of Corporate Affairs on 30 March 2019 and it is applicable for annual reporting periods beginning on or after 1 April 2019.The appendix explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

(i) how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or

(ii) together as a group, depending on which approach better predicts the resolution of the uncertainty;

(iii) that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;

(iv) that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;

(v) that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and

(vi) that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

Presently, the Company is in the process of evaluating the impact that application of this appendix is expected to have on its financial statements. The Company intends to apply this appendix retrospectively, with the cumulative effect of initially applying the appendix recognised at the date of initial application as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate).

Notes to Financial Statements for the year ended 31 March, 2019

Note: 3 Property, plant and equipment

(₹ in lacs)

Particular	Land & Site Development	Factory Building	Non Factory Building	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Heavy Vehicles & Equipments	Vehicles	Tools & Tackles	Total
Gross carrying Value											
At 1st April, 2018	**2,993.08**	**7,004.74**	**1,792.88**	**29,319.87**	**62.43**	**18.36**	**42.01**	**1,384.68**	**105.29**	**131.57**	**42,854.91**
Addition	177.38	10.43	44.59	645.32	1.53	1.83	2.10	-	29.94	11.12	924.24
Disposals/deductions/adjustment	-	-	-	304.76	6.78	-	-	19.01	1.24	3.39	335.17
At 31st March, 2019	**3,170.46**	**7,015.17**	**1,837.47**	**29,660.43**	**57.18**	**20.19**	**44.11**	**1,365.68**	**133.99**	**139.30**	**43,443.98**
Accumulated Deprecation											-
At 1st April, 2018	**-**	**1,266.26**	**578.04**	**10,569.05**	**27.60**	**9.51**	**30.79**	**451.32**	**52.57**	**59.58**	**13,044.72**
charge for the year	-	546.76	147.52	3,554.79	8.73	3.76	4.66	282.66	21.08	21.29	4,591.25
Disposals/deductions/adjustment	-	-	-	229.04	4.05	-	-	18.06	0.86	2.97	254.98
At 31st March, 2019	**-**	**1,813.02**	**725.56**	**13,894.80**	**32.28**	**13.27**	**35.45**	**715.92**	**72.79**	**77.92**	**17,380.99**
Net Carrying Value											-
At 31st March, 2018	**2,993.08**	**5,738.48**	**1,214.84**	**18,750.82**	**34.83**	**8.85**	**11.22**	**933.36**	**52.72**	**71.99**	**29,810.18**
At 31st March, 2019	**3,170.46**	**5,202.15**	**1,111.91**	**15,765.63**	**24.90**	**6.92**	**8.66**	**649.75**	**61.20**	**61.42**	**26,062.99**
	3,170.46	**5,202.15**	**1,111.91**	**15,765.63**	**24.90**	**6.92**	**8.66**	**649.75**	**61.20**	**61.42**	**26,062.99**

Notes to Financial Statements for the year ended 31 March, 2019

3.1- INTANGIBLE ASSETS

(₹ in lacs)

Particulars	Intangible Assets
Gross carrying Value	
At 1st April, 2018	5.59
Addition	-
Disposals/deductions/adjustment	-
At 31st March, 2019	**5.59**
Accumulated Deprecation	
At 1st April, 2018	**3.81**
charge for the year	0.60
Disposals/deductions/adjustment	-
At 31st March, 2019	**4.41**
Net Carrying Value	
At 31st March, 2018	1.78
At 31st March, 2019	**1.18**

Note :

a)During the year company has discarded /sold property,plant & equipment amounting to ₹335.17 Lacs (₹44.33 Lacs as on 31 March, 2018) .

b) During the year Property, plant and equipment has been increase by ₹75.94 lacs on account of foreign exchange flactuation loss (₹7.71 lacs of previous year) in accordance with para 46A of AS-11(previous GAAP), since the Company has applied the exemption under Ind AS 101 and accordingly opted to continue the policy adopted for accounting for exchange differences arising from translation of long term foreign currency monetary items recognised in the financial statements.

Note: 4 Loans - non current

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Security deposits	2.74	3.22
Loan to related party	5,000.00	2500.00
	5,002.74	**2,503.22**

Term loan to related party (fellow subsidiary) is long term in nature i.e. receivable in 5 years.

Note: 5 Other financial assets

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Balances with banks held as Margin money deposits with original maturity of more than 12 months	175.65	2.53
	175.65	**2.53**

The bank balance disclosed above represents margin money against bank guarantee.

Note: 6 Deferred tax assets (net)

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Deferred tax assets		
MAT credit entitlement	7,776.29	6,607.08
Deferred tax liability		
Borrowings	-	0.45
	7,776.29	**6,606.63**

Notes to Financial Statements for the year ended 31 March, 2019

Note: 7 Non current tax asset (net)

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Advance income tax (net of provision for taxation of ₹3083.16 lacs, as at 31st March 2018 ₹3677.58 lacs)	13.25	180.58
	13.25	**180.58**

Note: 8 Other non-current assets

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Unsecured, considered good		
Capital advances	1,681.63	1,662.83
Security deposits	15.18	15.23
	1,696.81	**1,678.06**

Note: 9 Inventories

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Raw materials (including in transit as at 31March 2019 - ₹780.65 lac & 31st March 2018 ₹ NIL)	1,128.08	1,091.64
Work - in - process	161.11	129.77
Finished goods (including in transit as at 31 March 2019 - ₹2.11 lac & 31st March 2018 ₹ NIL)	1,157.26	1,226.27
Fuels & lubricants	10,748.00	8,761.54
Store & spare parts	1,324.82	1,485.40
	14,519.27	**12,694.62**

Note: 10 Trade receivables

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Unsecured, considered good		
Trade receivable	4,465.36	10,346.60
	4,465.36	**10,346.60**

Note: 11 Cash and cash equivalents

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Cash in hand	11.93	13.56
Cheques in hand	318.45	225.57
Balances With Banks:		
- On Current Accounts (₹ Nil as on 31 March 2019 kept with SBI-Bangladesh,repatriation of which is restricted, ₹ 0.66 Lacs as on 31 March 2018)	133.64	630.86
- Fixed Deposit with Banks (including interest)	941.03	-
	1,405.05	**869.99**

Note: 12 Loans - current

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Unsecured , considered good		
- Security Deposit	49.47	180.66
- Loan to Others (including interest)	1,607.75	-
	1,657.22	**180.66**

Notes to Financial Statements for the year ended 31 March, 2019

Note: 13 Other current assets

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Unsecured, considered good		
-Advances to suppliers for goods	713.42	654.52
-Advances against services & Expenses	16.19	11.03
-Advances to employee	12.37	5.97
-Balances with statutory/Government authorities	5,964.97	3,653.99
-Subsidies/ incentives receivable from central/State government	4,472.82	14,725.11
-Prepaid expenses	99.38	93.27
Unsecured, considered doubtful		
-Advance to supplier	4.35	4.35
Less: Allowance for bad & doubtful advances	(4.35)	(4.35)
	11,279.15	**19,143.89**

Note: 14 Equity share capital

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Authorised Capital		
Equity shares of ₹10/- par value		
3,00,00,000 (3,00,00,000 as at 31st March 2018) Equity Shares fully paid up	3,000.00	3,000.00
Issued, subscribed & paid up		
Equity shares of ₹10/- par value	2,981.78	2,981.78
2,98,17,818 (2,98,17,818 as at 31 March 2018) Equity Shares fully paid up		
	2,981.78	**2,981.78**

a) **Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Particulars	No. of Shares	No. of Shares
Equity Share Capital		
At the beginning of the year	2,98,17,818	2,98,17,818
Issue of shares during the year	-	-
Outstanding at the end of the year	**2,98,17,818**	**2,98,17,818**

c) **Shares held by holding company**

Particulars	No. of Shares	No. of Shares
Star Cement Limited		
Equity shares of ₹10/- each fully paid	2,60,88,656	2,60,88,656

(All the shares are held by M/s Star Cement Limited, the Holding Company and its nominees)

d) Details of shareholders holding more than 5% of Equity Shares in the company

Particulars	No. of Shares (% of holding)	No. of Shares (% of holding)
Equity shares of ₹10/- each fully paid		
Star Cement Limited, holding company	2,60,88,656	2,60,88,656
	(87.49%)	(87.49%)
Megha Technical & Engineers Private Limited, subsidiary of Holding Comapnay	37,29,162	37,29,162
	(12.51%)	(12.51%)
	2,98,17,818	**2,98,17,818**

As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

Note: 15 Other equity

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Reserve and surplus		
Securities premium		
Opening balance	17,416.22	17,416.22
Addition/ (deduction) during the year	-	-
Closing Balance	**17,416.22**	**17,416.22**
Retained earnings		
Opening balance	39,846.15	28,552.06
Profit / (loss) for the year	6,677.78	11,304.13
	46,523.93	**39,856.19**
Less : Appropriation		
Final Dividend	4,174.49	-
Dividend Distribution Tax	858.08	-
	41,491.35	**39,856.19**
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligations	(2.70)	(10.04)
Closing Balance	**41,488.65**	**39,846.15**
Total	**58,904.87**	**57,262.37**

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Note: 16 Borrowings

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Secured		
Term loans (secured)		
- Rupee loans from banks	-	3,145.36
- Foreign currency loans from banks	-	2,214.57
Long term maturities of finance lease obligations		
- Hire purchase finance from banks	312.78	481.41
	312.78	5,841.34
Less:- Current maturities of long term borrowings	(165.91)	(3,008.18)
	146.87	**2,833.16**

Notes to Financial Statements for the year ended 31 March, 2019

16.1 Rupee Term Loans Nil (31 March 2018: ₹3,145.36 lacs) from Banks were repayable in further 7 unequal quarterly instalments from June, 2018 and ending on December, 2019.This loan has been fully repaid in FY 2018-19.

16.2 Foreign Currency Loans Nil (31 March 2018: ₹2214.57 lacs) from Banks were repayable in further 7 unequal quarterly instalments from June, 2018 and ending on December, 2019.This loan has been fully repaid in FY 2018-19.The loans were secured by pari passu first charge on property,plant and equipment and pari passu second charge on current assets of the company's cement clinker plant at Lumshnong, Meghalaya.

16.3 Hire Purchase Finance is secured by hypothecation of respective vehicles / equipments and are repayable within three years having varying date of payment.

16.4 The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.

Note: 17 Other financial liabilities (non-current)

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Security deposits	21.03	21.06
	21.03	**21.06**

Note: 18 Employee Benefit obligations (non-current)

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Provision for employees benefits		
- Gratuity	74.63	57.90
	74.63	**57.90**

Note: 19 Other non current liabilities

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Deferred government grant	1,381.84	1,683.61
	1,381.84	**1,683.61**

Note: 20 Borrowings

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Working capital facilities from banks (secured)		
- Cash credit	2,084.18	1,602.50
	2,084.18	**1,602.50**

Working capital facilities of ₹2084.18 lacs (31st March 2018 ₹1602.50 lacs) from banks are secured by pari passu first charge on current assets and pari passu second charge on property,plant and equipment of the company's cement clinker unit at Lumshnong, Meghalaya.

Note: 21 Other financial liabilities

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Current maturities of long term borrowings	165.91	3,008.18
Interest accrued but not due on borrowings	2.02	11.88
Other payables		
- Salary and bonus to employees	65.95	45.84
- Other Liabilities	1,742.45	2,179.71
- Retention money	9.84	12.28
	1,986.17	**5,257.89**

Notes to Financial Statements for the year ended 31 March, 2019

Note: 22 Employee benefit obligation

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Provision for employees benefits		
- Gratuity	7.90	5.50
- Leave encashment	42.01	35.43
	49.91	**40.93**

Note: 23 Current tax liabilities (net)

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Provision for taxation (net of advance income tax as at 31 March 2019 ₹4788.94 Lacs, as at 31 March 2018 ₹2655.00 Lacs)	59.12	322.32
	59.12	**322.32**

Note: 24 Other current liabilities

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Other Payables		
Statutory liabilities	1,287.33	2,227.72
Advances from customers	164.08	352.03
Current portion deferred government grant	301.78	389.25
	1,753.19	**2,969.00**

Note: 25 Revenue from operations

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Sale of products		
Domestic	53,097.02	44,071.39
Export	5,261.06	5,882.15
	58,358.08	49,953.54
Other operating income	45.64	102.24
Revenue from operations	**58,403.72**	**50,055.78**

Note: 26 Other income

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Interest income on		
-Bank deposits	64.85	0.11
-Other	427.10	163.29
Other non operating income	23.70	18.43
	515.65	**181.83**

Note: 27 Cost of materials consumed

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Inventory at the beginning of the year	1,091.64	1,929.83
Add: Purchases	5,749.67	4,908.66
	6,841.31	6,838.49
Less : Inventory at the end of the year	1,128.08	1,091.64
	5,713.23	**5,746.85**

Notes to Financial Statements for the year ended 31 March, 2019

Note: 28 (Increase)/ decrease in inventories

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Finished goods		
Opening stock	1,226.27	570.26
Closing stock	1,157.26	1,226.27
	69.01	(656.01)
Work in process		
Opening stock	129.77	159.94
Closing stock	161.11	129.77
	(31.34)	**30.17**
	37.67	**(625.84)**

Note: 29 Employee benefit expenses

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Salaries & wages	2,995.91	2,730.30
Contribution to provident fund and other funds	43.78	45.75
Welfare expenses	86.94	84.77
	3,126.63	**2,860.82**

Note: 30 Finance costs

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Interest expense		
- On loans	115.52	1,100.61
Other borrowing costs	42.73	55.55
	158.25	**1,156.16**

Note: 31 Depreciation and amortization expenses

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Depreciation on property, plant and equipment	4,201.97	4,514.64
Amortisation of intangible assets	0.60	2.09
	4,202.57	**4,516.73**

Depreciation is net off amortisation of Government Grant of ₹389.26 lacs as at 31 March 2019 and ₹1,242.11 lacs as at 31 March 2018

Note: 32 Other expenses

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Consumption of stores & spares	330.94	282.52
Power & fuel	16,502.15	14,830.08
Repairs & maintenance		
- Buildings	133.81	135.32
- Plant & machinery	813.85	567.83
- Others	40.57	36.12
Heavy vehicle / equipment running expenses	670.31	626.23
Travelling and conveyance	83.93	86.48
Insurance	15.98	27.26

Notes to Financial Statements for the year ended 31 March, 2019

Note: 32 Other expenses (Contd.)

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Rent, rates & taxes	459.36	197.85
Research & development expenses	15.32	10.46
Charity & donation	377.08	329.34
CSR expenses [refer note 43]	261.87	240.84
Miscellaneous expenses [refer note *]	519.42	439.22
Advertisement & publicity	6.30	0.23
Carriage outward	18,706.70	7,139.94
Sales promotion expenses	36.23	32.22
Commission/ incentives	28.42	64.15
	39,002.24	**25,046.09**

* Miscellaneous expenses include expenses paid to auditors refer note no. 38

Note: 33 Assets pledged/hypothecated as security

(₹ in lacs)

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	31-Mar-19	31-Mar-18
Current		
Financial assets		
First charge		
Trade receivables	4,465.36	10,346.60
Inventory	14,519.27	12,694.62
Cash & Cash Equivalents	1,405.05	869.99
Other Receivable	1,657.22	180.66
Non financial assets		
Other current assets	11,279.15	19,143.89
Total current assets pledged/hypothecated as security	**33,326.05**	**43,235.76**
Non-current		
First charge		
Property, plant and equipment, CWIP and intangible assets	27,507.59	30,193.38
Total non-currents assets pledged/mortgaged as security	**27,507.59**	**30,193.38**
Total assets pledged/hypothecated as security	**60,833.64**	**73,429.14**

Note: 34 Income tax expense

34.1: Tax expense change in Profit or loss

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Current tax		
Current tax on profits for the year	1,169.21	2,146.94
Total current tax expense	**1,169.21**	**2,146.94**
Deferred tax		
Deferred tax benefit	(1,168.21)	(2,142.20)
Total deferred tax benefit	(1,168.21)	(2,142.20)
Tax expense	**1.00**	**4.74**

34.2: Reconciliation of tax expense and the accounting profit multiplied by India's tax rate: (₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Profit before tax	6,678.78	11,308.87
Tax at the Indian tax rate of 34.944% (2017-2018 - 34.608%)	**2,333.83**	**3,913.77**
Items not deductible/taxable under tax	(154.93)	(516.06)
Additional deduction under various provisions of tax	(2,314.92)	(3,393.03)
Impact of change in tax rate during the year	-	0.06
Other Adjustment	137.02	
Income tax expense	**1.00**	**4.74**

34.3: The Tax rate used for the year 2018-19 and 2017-18 reconciliation above is the Corporation tax rate of 34.944% (30% + surcharge @12% + education cess @4%) & 34.608 (30% + surcharge @12% +education cess @ 3%) respectively payable on taxable profit under the Income Tax Act 1961.

Note: 35 Earnings per share

(a) Basic earnings per share

Particulars	31-Mar-19	31-Mar-18
Basic earnings per share attributable to the equity holders of the Company (in ₹)	22.40	37.91

(b) Diluted earnings per share

Particulars	31-Mar-19	31-Mar-18
Diluted earnings per share attributable to the equity holders of the Company (in ₹)	22.40	37.91

(c) Reconciliations of earnings used in calculating earnings per share (₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Basic earnings per share		
Profit attributable to equity holders of the company used in calculating basis earnings per share	6,677.78	11,304.13
Diluted earnings per share		
Profit attributable to equity holders of the company used in calculating diluted earnings per share	6,677.78	11,304.13

(d) Weighted average number of equity shares used as the denominator

Particulars	31-Mar-19	31-Mar-18
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2,98,17,818	2,98,17,818
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	2,98,17,818	2,98,17,818

Notes to Financial Statements for the year ended 31 March, 2019

Note: 36 Employees benefit

(a) Leave obligations and leave travel allowance

Under leave encashment scheme, the Company allows its employees to encash accumulated leave over and above thirty days at any time during the year. Hence the entire amount of the provision is presented under current. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
'Leave obligations not expected to be settled within the next 12 months	39.18	33.54

(b) Post-employment obligations

(i) Gratuity

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in lacs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2017	90.27	(49.61)	40.66
Current service cost	12.93	-	12.93
Interest expense/(income)	5.97	(3.84)	2.13
Total amount recognised in profit or loss	**18.90**	**(3.84)**	**15.06**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.45)	(0.45)
Actuarial (gain)/loss from change in financial assumptions	(1.93)	-	(1.93)
Actuarial (gain)/loss from unexpected experience	17.81	-	17.81
Total amount recognised in other comprehensive income	**15.88**	**(0.45)**	**15.43**
Employer contributions/ premium paid	-	(7.75)	(7.75)
Benefit payments	(26.45)	26.45	-
31 March 2018	**98.60**	**(35.20)**	**63.39**

(₹ in lacs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2018	98.60	(35.20)	63.39
Current service cost	14.55	-	14.55
Interest expense/(income)	7.52	(2.71)	4.81
Total amount recognised in profit or loss	**22.07**	**(2.71)**	**19.36**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.64	0.64
Actuarial (gain)/loss from change in financial assumptions	0.90	-	0.90
Actuarial (gain)/loss from unexpected experience	2.62	-	2.62

(₹ in lacs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Total amount recognised in other comprehensive income	**3.52**	**0.64**	**4.16**
Employer contributions/premium paid	-	(4.38)	(4.38)
Benefit payments	(1.77)	1.77	-
31 March 2019	**122.42**	**(39.89)**	**82.53**

(ii) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows: (₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Discount rate	7.70%	7.75%
Expected return on plan asset	7.70%	7.75%
Salary growth rate	6.00%	6.00%
Withdrawal rate	1% to 8%	1% to 8%
Mortality rate	IALM (2006-08) Table	IALM (2006-08) Table

(iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: (₹ in lacs)

Particulars	Imapct on defined benefit obligation			
	31-Mar-19		31-Mar-18	
	Increase	Decrease	Increase	Decrease
Discount rate **(-/+ 1%)**	(113.15)	133.12	(90.88)	107.52
Salary growth rate **(-/+ 1%)**	133.04	(113.08)	107.36	(90.89)
Withdrawal rate **(-/+ 1%)**	123.83	(120.83)	99.80	(97.24)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitvity analysis did not change compared to the prior period.

(iv) The major categories of plans assets

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

(v) Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(vi) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31 March 2020 are ₹20.32 lacs.

The weighted average duration of the defined benefit obligation is 6.50 (31 March 2018: 5.41 years). The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in lacs)

	Less than a year	Between 2- 5 years	Between 5- 10 years
31 March 2019			
Defined benefit obligation (gratuity)	7.90	36.28	77.79
Total	**7.90**	**36.28**	**77.79**
31 March 2018			
Defined benefit obligation (gratuity)	5.78	43.15	38.20
Total	**5.78**	**43.15**	**38.20**

Note: 37 Capital management

(a) Risk management

The company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares .

The amount mentioned under total equity in balance sheet is considered as Capital.

(b) Dividends paid and proposed (₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
(i) Equity shares		
Final dividend for the year ended 31 March 2018 of ₹14 per share (31 March 2017 – Nil)	4,174.49	-
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Nil per fully paid equity share (31 March 2018 – ₹14). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	-	4,174.49

Note: 38 Payment to auditors

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Statutory Auditors		
As Auditors		
Audit Fees	7.80	6.00
In Other Capacity		
Certification and Other Service	0.10	-
Total	**7.90**	**6.00**

Note: 39 Fair Value Measurement

Financial instruments by category

(₹ in lacs)

Particulars	31-Mar-19			31-Mar-18		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Margin money deposits	-	-	175.65	-	-	2.53
Security deposits	-	-	52.21	-	-	183.88
Loan to related party	-	-	5,000.00	-	-	2,500.00
Trade receivables	-	-	4,465.36	-	-	10,346.60
Cash and cash equivalent	-	-	1,405.05	-	-	869.99
	-	**-**	**11,098.27**	**-**	**-**	**13,903.00**
Financial liabilities						
Borrowings	-	-	2,396.96	-	-	7,443.84
Security deposits	-	-	21.03	-	-	21.06
Trade payable	-	-	6054.79	-	-	9367.64
Interest accrued but not due on borrowings	-	-	2.02	-	-	11.88
Other payables	-	-	1,808.40	-	-	2,225.56
Retention money	-	-	9.84	-	-	12.28
			10,293.04	**-**	**-**	**19,082.26**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.

(iii) Fair value of financial assets and liabilities measured at amortised cost (₹ in lacs)

Particulars	31-Mar-19		31-Mar-18	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Security Deposits and margin money	178.40	178.40	5.74	5.74
Loan	5,000.00	5,000.00	2,500.00	2,500.00
Total financial assets	**5,178.40**	**5,178.40**	**2,505.74**	**2,505.74**
Financial liabilities				
Borrowings	312.78	315.50	481.41	493.14
Security deposit	21.03	21.03	21.06	21.06
Total financial liabilities	**333.81**	**336.53**	**502.47**	**514.20**

The carrying amounts of all other financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values of borrowings and loans are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. The carrying amounts of other borrowings and loans with floating rate of interest are considered to be close to the fair value.

The fair values for financial instruments were calculated based on cash flows discounted using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) above.

Note: 40 Financial risk management

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of customer base
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed facilities
Market risk – foreign exchange	Future commercial transactions and recognised financial liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Diversification of liability
Market risk – interest rate	Long-term borrowings at fixed rates	Sensitivity analysis	Portfolio of loan contains fixed interest loans from financial institutions

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying 30 days credit terms. Outstanding customer receivables are regularly monitored. Further the Company receives security deposit from its customers which mitigates the credit risk. The ageing of trade receivables as of balance sheet date is given below. The age analysis have been considered from the due date:

(₹ in lacs)

Particulars	Not due	Less than 6 months	6 months to 1 year	More than 1 Years	Total
Trade receivable as on 31 March, 2019	4,197.34	268.02	-	-	4,465.36
Trade receivable as on 31 March, 2018	8,559.02	1,787.58	-	-	10,346.60

ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department. For banks and financial institutions, only high rated banks/institutions are accepted.

Financial Assets are considered to be of good quality and there is no significant credit risk.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts as illustrated in Note 40.

(B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the underlying business, the Company maintains sufficient cash and liquid investments available to meet its obligation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The management also considers the cash flows projection and level of liquid assets necessary to meet these on a regular basis.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Floating Rate		
- Expiring within one year (bank overdraft and other facilities)	5,415.82	9,397.51
Total	**5,415.82**	**9,397.51**

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in lacs)

Contractual maturities of financial liabilities - 31 March, 2019	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Trade payables	6,054.79	-			6,054.79
Borrowings	2,250.09	146.87	-	-	2,396.96
Interest payable on borrowings	197.00	5.44	-	-	202.44
Other financial liabilities	1,818.24	-			1,818.24
Total financial liabilities	**10,320.12**	**152.31**	**-**	**-**	**10,472.43**

(₹ in lacs)

Contractual maturities of financial liabilities - 31 March, 2018	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Trade payables	9,367.64				9,367.64
Borrowings	4,610.67	2,834.45	-	-	7,445.12
Interest payable on borrowings	318.95	107.23	-	-	426.18
Other financial liabilities	2,237.83				2,237.83
Total financial liabilities	**16,535.09**	**2,941.68**	**-**	**-**	**19,476.77**

(C) Market risk

(i) Foreign currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk also arises from future cash flow against foreign currency loan. The risk is measured through a forecast of highly probable foreign currency cash flows.

Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows:-

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Financial assets	842.56	1,280.08
Financial liabilities	-	2,214.57
Net exposure to foreign currency risk	**842.56**	**(934.49)**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in lacs)

	Impact on profit before tax	
Particulars	**31-Mar-19**	**31-Mar-18**
USD sensitivity		
INR appreciates by 10% (2018: 10%)*	(84)	93
INR depreciates by 10% (2018: 10%)*	84	(93)

*Holding all other variables constant

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2019, 31 March 2018 the Company's borrowings at variable rate were denominated in ₹ and USD.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

On Financial Liabilities:

The exposure of the Company's financial liabilities to interest rate risk is as follows:

(₹ in lacs)

Particulars	**31-Mar-19**	**31-Mar-18**
Variable rate borrowings	2,084	6,964
Fixed rate borrowings	313	481
Total borrowings	**2,397**	**7,445**

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

(₹ in lacs)

	Impact on profit before tax	
Particulars	**31-Mar-19**	**31-Mar-18**
Interest expense rates – increase by 50 basis points (2018: 50 bps)*	(10.42)	(34.82)
Interest expense rates – decrease by 50 basis points (2018: 50 bps)*	10.42	34.82

*Holding all other variables constant

Note: 41 Related Party Disclosures

I. A Names of the related parties where control exists — Nature of relationship

Names of the related parties where control exists	Nature of relationship
Star Cement Limited (SCL)	Holding Company
Megha Technical & Engineers Private Limited (MTEPL)	Fellow Subsidiary
Meghalaya Power Limited (MPL)	Fellow Subsidiary
NE Hills Hydro Limited (NEHL)	Fellow Subsidiary

B Other related parties — Nature of relationship

1 **Key Management Personnel**

Mr. Prem Kumar Bhajanka	Managing Director
Mr. Amit Kumar Singh	Chief Financial Officer
Mr. Rahul Srivastava	Company Secretary (upto - 04/04/2018)
Mr. Bishwajit Singh	Company Secretary (w.e.f. - 01/08/2018)

2 **Relative of KMP of Parent Company**

Mrs. Renu Chamaria	Wife of Mr. Rajendra Chamaria

3 **Key Management Personnel of Parent Company**

Mr. Sajjan Bhajanka	Chairman & Managing Director
Mr. Rajendra Chamaria	Vice Chairman & Managing Director
Mr. Sanjay Agarwal	Managing Director
Mr. Prem Kumar Bhajanka	Director
Mr. Sanjay Kumar Gupta	Chief Executive Officer
Mr. Dilip Kumar Agarwal	Chief Financial Officer (upto 13/11/2017)
Mr. Manoj Agarwal	Company Secretary (Upto 02.08.2017), Chief Financial Officer (w.e.f 14.11.2017)
Mr. Debabrata Thakurta	Company Secretary (w.e.f 03.08.2017)

4 **Enterprise influenced by KMP of parent company**

Century Plyboards (India) Limited (CPIL)	Enterprises influenced by KMP

II. Details of transactions between the Company and related parties and the status of outstanding balance as at 31 March, 2019

(₹ in lacs)

Sl. No.	Type of Transactions	Holding Company		Fellow Subsidiary		Enterprises influenced by KMP		Key Management Personnel & Its Relative	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	Purchase Transactions								
	SCL	4,832.24	86.82	-	-	-	-	-	-
	CPIL	-	-	-	-	1.55	-	-	-
	MTEPL	-	-	0.14	-	-	-	-	-
	MPL	-	-	5,758.13	5,515.55	-	-	-	-
2	Sales Transactions								
	SCL	53,406.61	40,236.23	-	-	-	-	-	-
	MTEPL	-	-	78.83	922.76	-	-	-	-
	MPL	-	-	1,531.05	-	-	-	-	-
3	Services Rendered								
	SCL	36.88	82.54	-	-	-	-	-	-
	CPIL	-	-	-	-	8.51	-	-	-
	MPL	-	-	1.30	2.31	-	-	-	-
	MTEPL	-	-	-	1.19	-	-	-	-

(₹ in lacs)

Sl. No.	Type of Transactions	Holding Company		Fellow Subsidiary		Enterprises influenced by KMP		Key Management Personnel & Its Relative	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
4	**Loan & Advances Given**								
	MPL	-	-	2,500.00	-	-	-	-	-
5	**Loan & advances Repaid**								
	MTEPL	-	-	-	600.00	-	-	-	-
	MPL	-	-	-	600.00	-	-	-	-
6	**Remuneration Paid**								
	Mr. Prem Kumar Bhajanka	-	-	-	-	-	-	198.00	60.00
	Mr. Bishwajit Singh	-	-	-	-	-	-	3.27	-
	Mrs. Renu Chamaria	-	-	-	-	-	-	33.08	30.00
	Mr. Amit Kumar Singh	-	-	-	-	-	-	8.09	1.08
	Mr. Rahul Srivastava	-	-	-	-	-	-	-	1.36
7	**Interest Paid**								
	MTEPL	-	-	-	38.60	-	-	-	-
8	**Interest Received**								
	MPL	-	-	297.61	162.96	-	-	-	-
9	**Balance outstanding as on 31.03.2019**								
A.	**Advances/Loan Given**								
	MPL	-	-	5,000.00	2,500.00	-	-	-	-
B.	**Creditors**								
	MPL	-	-	496.19	30.13	-	-	-	-
	CPIL	-	-	-	-	7.79	-	-	-
C.	**Debtors**								
	SCL	2,484.09	6,933.21	-	-	-	-	-	-
D	**Share Capital (Including Securities Premium)**								
	SCL	17,414.67	17,414.67	-	-	-	-	-	-
	MTEPL	-	-	2,983.33	2,983.33	-	-	-	-

III. Key management personnel compensation

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
Short-term employee benefits	242.44	92.44
Post-employment benefits *	-	-
Long-term employee benefits *	-	-
Total compensation	242.44	92.44

* Post employment benefits and long term employee benefits are determined on the basis of actuarial valuation for the company as a whole and hence segregation is not available.

Note: 42 Contingent liabilities and commitments (to the extent not provided for)

(₹ in lacs)

Sl. No.	Particulars	31-Mar-19	31-Mar-18
a.	Export obligation under EPCG scheme	592.36	996.33
b.	Claims against the Company not acknowledged as debts – Excise	366.49	360.10
c.	Solvent surety furnished to Excise Department against differential excise duty refund [Refer note (b)]	1,200.98	1,200.98

(a) Based on legal opinion / decisions in similar cases, the Management believes that the company has a fair chance of favourable decisions in cases mentioned here-in-above and hence no provision is considered necessary.

(b) Against company's claim for refund of differential excise duty, Hon'ble High Court at Guwahati vide its order dated 1st December' 2016, in the matter of Raj Coke industries & others Versus the Union of India has directed the Excise Department to release 50% of the disputed amount against furnishing of solvent surety. Based on the said judgment of the Hon'ble High Court and legal opinion obtained by the company and the differential excise duty refund Nil (31 March 2018: ₹146.78 lacs) have been recognized as revenue in the book of accounts.

Note: 43 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural developments projects. A CSR Committee has been formed by Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross Amount required to be spent by the company during the year is ₹193.12 lacs (31 March 2018: ₹150.47 lacs)

b) Amount spent during the year on:

(₹ in lacs)

Sl. No.	Nature of Expenditure	31-Mar-19	31-Mar-18
(i)	Education	196.55	233.17
(ii)	Health & Sanitation	16.94	-
(iii)	Livelihood & Skill Building	23.41	-
(iv)	Rural Development	24.97	7.67
		261.87	**240.84**

Note: 44 Segment information

Cement Clinker' is the only identified operating segment of the Company.

One customers of the entity accounts for approximately 78.74% of the revenue for the year ended 31 March 2019 (31 March 2018 : 77.16%)

(₹ in lacs)

Sl. No.	Party Name	31-Mar-19	31-Mar-18
(i)	STAR CEMENT LTD (FR-CMCL) (GGU)	78.74%	77.16%
		78.74%	**77.16%**

Geographical information

The entire revenue of the Company has been generated by way of domestic & export sales.

(₹ in lacs)

Sl. No.	Geographical Location	31-Mar-19	31-Mar-18
(i)	India	53,142.66	44,173.63
(ii)	Nepal	5,108.27	4,263.06
(iii)	Bhutan	152.79	1,619.09
	Total	**58,403.72**	**50,055.78**

Notes to Financial Statements for the year ended 31 March, 2019

Note: 45 Based on the information/documents available with the Company, information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under:

(₹ in lacs)

Particulars	31-Mar-19	31-Mar-18
(i) Principal amount remaining unpaid to any supplier at the end of the accounting year (including retention money against performance)	-	-
(ii) Interest due on above	-	-
Total of (i) & (ii)	-	-
(iii) Amount of interest paid by the Company to the suppliers in terms of Section 16 of the Act.	0.00	0.06
(iv) Amount paid to the suppliers beyond the respective appointed date.	0.22	6.43
(v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
(vi) Amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
(vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act.	-	-

Note: 46. Borrowing cost of foreign loan

The Company has exercised the option in accordance to paragraph 46A of the Accounting Standard 11 (AS-11) - "The Effects of Changes in Foreign Exchange Rates". Accordingly, the Company has depreciated the foreign exchange (gain)/loss arising on revaluation on long term foreign Currency monetary items in so far as they relate to the acquisition of depreciable capital assets over the balance useful life of such assets. The depreciated portion of net foreign exchange (gain)/loss on such long term foreign currency monetary items for the year ended 31 March, 2019 is ₹237.64 lacs (31 March 2018: ₹328.52 lacs).

Note 47. The financial statements are approved by the audit committee at its meeting held on 7th May, 2019 and by the Board of Directors on the same date.

Note 48. Notes to the Financial Statements comprises of information relevant for the Group.

As per our report of even date

For D.K. Chhajer & Co.
Chartered Accountants
Firm Registration No.: 304138E

Niraj K Jhunjhunwala
Partner
Membership No.: 057170

Place: Kolkata
Date: 7th May, 2019

For and on behalf of the Board of Directors

Amit Kumar Singh
Chief Financial Officer

Prem Kumar Bhajanka
Managing Director
DIN:00591512

Bishwajit Singh
Company Secretary

Sajjan Bhajanka
Director
DIN:00246043

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A TRISYS PRODUCT
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STAR CEMENT MEGHALAYA LIMITED
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CIN: U63090ML2005PLC008011